

**RESIDENTS ENERGY, LLC**  
**Delaware Terms and Conditions -V.1**

**1. AGREEMENT TO SELL AND PURCHASE ENERGY.**

Residents Energy, LLC ("Residents Energy") agrees to sell, and you (also referred to herein as ("Customer")), agree to purchase and accept, the quantity of electricity necessary to meet your requirements, as estimated by Residents Energy based upon consumption data obtained by Residents Energy or the delivery schedule of the electric distribution company (the "EDC"), subject to the terms and conditions contained herein (this "Agreement"). Residents Energy is not affiliated with and does not represent the EDC.

**2. INFORMATION RELEASE AUTHORIZATION.**

Customer designates Residents Energy as its agent for receiving customer billing information from the electric distribution company (the "EDC"), and for procuring and scheduling the transmission and ancillary services necessary to deliver electricity purchased by you to the EDC. This information may be used by Residents Energy to determine whether it will commence and/or continue to provide energy supply service to Customer and will not be disclosed to a third-party unless required by law. Customer's execution of this Agreement shall constitute authorization for the release of this information to Residents Energy. This authorization will remain in effect during the Term of this Agreement or any renewal thereof. Customer may rescind this authorization at any time by providing written notice thereof to Residents Energy or calling Residents Energy at 1.888.828.7374. Residents Energy reserves the right to cancel this Agreement in the event Customer rescinds the authorization.

**3. PRICE.** Your price for electricity sold under this Agreement may be either (1) a variable price, which may change month-to-month or (2) a fixed price, under the Smart Budget promotion. If a Variable Price: The price for all electricity sold under this Agreement shall be a variable price which shall each month reflect the cost of electricity obtained from all sources (including energy, capacity, settlement, ancillaries), related transmission and distribution charges and other market-related factors, plus all applicable taxes, fees, charges or other assessments and Residents Energy's costs, expenses and margins. Notwithstanding any other provision in this Agreement, Residents Energy may change the Variable Price at its discretion without additional notice and the price may be higher or lower than your EDC's price in any particular month. There is no ceiling price. If a Smart Budget price: By enrolling in the Residents Energy Smart Budget promotion, you will receive a fixed price of \_\_\_\_\_ per kWh for your electricity, plus all applicable taxes, effective with your first date of service with Residents Energy and your price will remain fixed for all bills issued within 12 months of that date. Your price, whether a Variable Price or fixed Smart Budget price, does not include the EDC's charges and fees. Rebates and Special Promotions: From time to time Residents Energy may offer a Rebate Program. If a Customer participates in Residents Energy's Rebate Program, the Customer must remain in the program for the entire agreed upon term in order to qualify for the rebate. If a Customer

cancels at any time prior to the agreed upon Rebate Program term, the Customer shall forfeit all rights and claims to any and all rebate offers. All rebate amounts advertised and presented to customers are estimates based upon the Customer's prior electric usage. Actual rebate amounts will be based on the Customer's actual usage over the term of this Agreement, which may vary from any estimate provided. Residents Energy will send any rebate or promotion payment to Customer at the address given to Residents Energy at the time of enrollment. It is the responsibility of Customer to notify Residents Energy of any changes to Customer's billing address either by writing to Residents Energy at: 20 West 3<sup>rd</sup> Street, Suite 10, PO Box 400, Jamestown, NY 14702 or by calling Residents Energy customer service at 1.888.828.7374. Residents Energy will send all rebates and promotional payments via regular USPS mail and is not responsible for invalid addresses or undelivered items. Green Supply Option: If you have chosen Residents Energy's variable rate and the Green Supply Option, your total price for energy will be comprised of the Residents Energy variable price plus 2.79 cents per kWh, which is Residents Energy's estimated cost for green energy. If you have chosen Residents Energy's Smart Budget promotion and the Green Supply Option, your total energy price includes an amount that represents the estimated cost for green energy incurred by Residents Energy of 2.79 cents per kWh. You can cancel the Green Supply Option with at least 15 calendar days' notice of your intent to cancel by calling Residents Energy at 1.888.828.7374. **If you choose to cancel the Green Supply Option, your price will be reduced by 2.79 cents per kWh, which is Residents Energy's estimated cost of green energy.**

**4. BILLING AND PAYMENT.** You will normally receive one bill each month issued by your EDC, or by Residents Energy if directed by you or the EDC. Unless otherwise provided herein, payment terms are governed by the terms of the EDC's tariff if the EDC issues the bill. If Residents Energy issues the bill, payment of the full amount billed is due twenty-five (25) days after the date the bill is mailed. Late payments or partial payment balances will be subject to collection fees and/or reasonable attorneys' fees and court costs, as allowed by law. All accounts, which are overdue, may be referred to a collection agency consistent with Delaware law. Your bill will be based on scheduled meter readings and/or estimates provided by the EDC. The parties agree to accept, for purposes of accounting for electricity delivered under this Agreement, the quantity, quality, and measurement determined by the EDC. A twenty-dollar (\$20) fee will be charged for all returned checks.

**5. TITLE AND TAXES.** Under this Agreement, title to the electricity shall pass from Residents Energy to you prior to delivery to the EDC. Our price does not include any sale taxes that may apply, and these taxes generally will appear as a separate item on your bill. You shall reimburse Residents Energy for sales or other taxes, however designated, imposed with respect to the sale or transportation of electricity unless, prior to execution of this Agreement, you have given us a valid tax exemption certificate(s).

**6. TERM; TERMINATION; AND EARLY TERMINATION FEES.** For Variable Rate service this Agreement shall commence as of the date Customer's enrollment with Residents Energy is deemed effective by the EDC, and shall continue on a month-to-month basis with a monthly variable rate methodology until either Customer or Residents Energy cancels or terminates this Agreement by providing 30 days' notice of termination to the other party. In the event such notice is given, the EDC will complete the termination on the next available date in accordance with its rules.

For SmartBudget service this Agreement shall commence as of the date Customer's enrollment with Residents Energy is deemed effective by the EDC, and shall continue for 12 months thereafter (the "Initial Term"). Upon completion of the Initial Term, this Agreement will continue on a month-to-month basis with a monthly variable rate methodology until either the Customer or Residents Energy cancels or terminates this Agreement by providing 30 days' notice of termination to the other party. At least 30 days prior to the end of the Initial Term, Residents Energy will notify Customer in writing of the Customer's right to cancel, reject or renegotiate this Agreement. If Customer terminates this Agreement during the Initial Term or if Residents Energy terminates this Agreement due to Customer's breach, Customer shall pay Residents Energy, in addition to any other applicable charges, an early termination fee equal to: \$10.00 for each month remaining in the Initial Term multiplied by the RCE Value (as hereinafter defined) of the account. [The relative size of energy accounts is measured in Residential Customer Equivalents (RCEs). For electricity, one RCE represents annual consumption of 10,000 kWh. Using an RCE as the basic unit of measurement, Residents Energy assigns an "RCE Value" to each customer account based on the usage history for the account and other relevant factors.]

**7. ASSIGNMENT.** Residents Energy may assign or transfer its rights or obligations under this Agreement after first informing you in writing of such transfer or assignment. You may not assign or transfer your rights or obligations under this Agreement.

**8. CHOICE OF LAW.** This Agreement shall be construed in accordance with and be governed by the laws of the State of Delaware without regard to the conflicts of law provisions thereof.

**9. NO WARRANTIES.** Customer acknowledges and agrees that no warranty, duty or remedy, whether expressed, implied or statutory, is given or intended to arise out of this Agreement except as otherwise expressly stated herein, and RESIDENTS ENERGY SPECIFICALLY DISCLAIMS ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE.

**10. SEVERABILITY.** Should any part of this Agreement be declared invalid for any reason, such decision shall not in any manner affect the validity of the remaining portion of this Agreement, which shall remain in full force and effect as if the

part determined to be invalid had not been contained herein at the time of the execution of this Agreement.

**11. FORCE MAJEURE.** Residents Energy will make commercially reasonable efforts to provide electricity hereunder but does not guarantee a continuous supply of electricity to Customer. Certain causes and events out of the control of Residents Energy ("Force Majeure Events") may result in interruptions in service. In the event that Residents Energy is rendered unable, wholly or in part, to perform its obligations under this Agreement due to events not reasonably anticipated or within either party's control, Residents Energy will not be liable for any interruptions caused by a Force Majeure Event, and Residents Energy is not and shall not be liable for damages caused by Force Majeure Events. Force Majeure Events shall include acts of God, fire, flood, storm, terrorism, war, civil disturbance, acts of any governmental authority, accidents, strikes, labor disputes or problems, required maintenance work, inability to access the local distribution utility system, non-performance by the EDC (including, but not limited to, a facility outage on its electric facilities), or any other cause beyond Residents Energy's control.

**12. LIMITATION OF LIABILITY.** In no event shall Residents Energy or Customer be liable to the other or to any third party for any indirect, incidental, consequential, punitive, reliance or special damages, including without limitation, damages for lost profits, advantage, savings or revenues of any kind or increased cost of operations, whether or not Residents Energy or Customer has been advised of the possibility of such damages. Residents Energy's liability and Customer's exclusive remedies against Residents Energy, for any damages caused by any service outage, defect or failure shall be the termination provisions set forth above in section 6. Residents Energy's liability for other claims arising in connection with any service or this agreement, if not otherwise limited by another provision of this agreement, shall be limited to proven direct damages not to exceed per claim (or in the aggregate during any 12-month period), the total net payments made by customer for the applicable service during the 12 month's preceding the month in which the damage occurred.

**13. INDEMNIFICATION.** Customer is responsible for and will indemnify Residents Energy against any and all liabilities resulting from Customer's failure to fully comply with this Agreement, and damage or injury caused by the electricity after its delivery to the Customer's residence or place of business, as applicable.

**14. DISPUTE RESOLUTION, MANDATORY ARBITRATION AND CLASS ACTION WAIVER.** Customer agrees to first contact Residents Energy in writing and attempt to resolve all billing disputes or service problems directly. All disputes regarding transmission, distribution, power outages, and bills from the EDC should be directed to the EDC. Customer and Residents Energy shall try in good faith to resolve any dispute. If no satisfactory resolution is reached, you may contact the Delaware Public Service Commission ("PSC") by calling 1.800.282.8574, by writing to 861 Silver Lake Boulevard, Cannon Building, Suite 100,

Dover, DE 19904 or by visiting its website at: [www.depsec.delaware.gov](http://www.depsec.delaware.gov).

Any dispute, controversy or claim not resolved by the dispute resolution procedures described, or any other dispute, controversy, or claim arising out of, or related to, the provision of Residents Energy's services or this Agreement (collectively, the "Claims"), shall be resolved by arbitration before the American Arbitration Association ("AAA") conducted under the AAA Commercial Rules and the Consumer-Related Disputes Supplementary Procedures.

BY ENTERING INTO THIS CONTRACT, YOU ARE GIVING UP YOUR RIGHTS TO SEEK REMEDIES IN COURT, AND THE RIGHT TO A JURY TRIAL. THE ABILITY TO CONDUCT DISCOVERY IN ARBITRATION IS LIMITED AND THE ARBITRATOR'S DECISION IS SUBJECT TO VERY LIMITED REVIEW BY COURTS. ARBITRATORS CAN AWARD THE SAME DAMAGES AND RELIEF THAT A COURT CAN AWARD. THE AAA SHALL HAVE THE POWER TO RULE ON ANY CHALLENGE TO ITS OWN JURISDICTION OR TO THE VALIDITY OR ENFORCEABILITY OF ANY PORTION OF THIS ARBITRATION PROVISION.

THE PARTIES AGREE THAT ALL CLAIMS INCLUDING STATUTORY, STATE OR FEDERAL CLAIMS, MAY BE MADE SOLELY ON AN INDIVIDUAL BASIS, AND THAT THIS CONTRACT DOES NOT PERMIT CLASS ACTIONS, EITHER IN ARBITRATION OR THROUGH A COURT PROCEEDING. FURTHER, CUSTOMER WILL NOT HAVE THE RIGHT TO PARTICIPATE IN A REPRESENTATIVE CAPACITY OR AS A MEMBER OF ANY CLASS OF CLAIMANTS PERTAINING TO ANY CLAIM SUBJECT TO ARBITRATION. AAA MAY NOT CONSOLIDATE MORE THAN ONE PERSON'S CLAIMS, AND MAY NOT OTHERWISE PRESIDE OVER ANY FORM OF A REPRESENTATIVE OR CLASS PROCEEDING. IN THE EVENT THE PROHIBITION ON CLASS ARBITRATION IS DEEMED INVALID OR UNENFORCEABLE, THEN THE REMAINING PORTIONS OF THIS ARBITRATION PROVISION WILL REMAIN IN FORCE. JUDGMENT ON THE ARBITRATOR'S AWARD CAN BE ENTERED IN ANY COURT HAVING JURISDICTION. THIS AGREEMENT EVIDENCES A TRANSACTION IN INTERSTATE COMMERCE, AND THUS THE FEDERAL ARBITRATION ACT GOVERNS THE INTERPRETATION AND ENFORCEMENT OF THIS PROVISION. THIS ARBITRATION PROVISION SHALL SURVIVE TERMINATION OF THIS AGREEMENT.

**15. MODIFICATION.** Residents Energy may supplement, modify, or amend the terms of this Agreement upon at least 30 days' prior written notice to Customer. Such amended Agreement will supersede any previous agreement between Customer and Residents Energy. Upon receipt of written notice pursuant to this Section, Customer may cancel the Agreement at any time prior to the commencement of the next billing cycle by providing written notice to Residents Energy.

**16. PROTECTION OF CUSTOMER RIGHTS.** Residents Energy hereby provides notice that its services are governed by the terms of this Agreement, the rules and regulations issued by the EDC and the Delaware PSC. Your EDC's transmission and distribution functions will continue to be regulated by the Delaware PSC. Electric service may be disconnected only by the EDC and only in compliance with rules set by the PSC.

**17. CONTACT INFORMATION.** Any questions regarding these terms and conditions or your service with Residents Energy should be directed to us in writing at Residents Energy, Inc., 20 West 3<sup>rd</sup> Street, Suite 10, PO Box 400, Jamestown, NY 14702. Residents Energy may also be contacted by telephone at 1.888.828.7374, or by e-mail at [contactus@residentsenergy.com](mailto:contactus@residentsenergy.com). Customer shall be responsible for providing Residents Energy with up-to-date contact information, including telephone number and email address. Customer agrees to receive all notices, including those referenced in this Agreement, by email.

**18. RIGHT OF RESCISSION.** You may rescind this Agreement without penalty within ten (10) calendar days from the day the EDC sends you a confirmation letter confirming your enrollment with Residents Energy. You may rescind by calling Residents Energy at 1.888.828.7374 or by writing to Residents Energy at 20 West 3<sup>rd</sup> Street, Suite 10, PO Box 400, Jamestown, NY 14702 and stating that you wish to rescind under the ten-day Right of Rescission.

**19. RELOCATION.** If Customer relocates outside of his/her current EDC's service territory, he/she may terminate this Agreement, without penalty, upon 30 days' written notice to Residents Energy at 20 West 3<sup>rd</sup> Street, Suite 10, PO Box 400, Jamestown, NY 14702.

**20. CHANGE IN LAW.** If at some future date there is a change in any law, order, rule, regulation, or state-approved tariff whereby Residents Energy is prevented, prohibited, or frustrated from carrying out the terms of the Agreement, then, at the sole discretion of Residents Energy, this Agreement may be terminated. If, at some future date there is a change in any law, order, rule, regulation, or state-approved tariff affecting Residents Energy's costs to purchase electricity and/or natural gas required to provide your service, then, at the sole discretion of Residents Energy, this Agreement may be modified to reflect those costs.

**21. ENTIRE AGREEMENT.** This Agreement, together with any enrollment forms and attachments, sets forth the entire agreement between the parties and any other understandings or representations by and between the parties with respect to the matters addressed herein are superseded by this Agreement.